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Limits Sought on Soviet Business Agencies in U.S.

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WASHINGTON, Aug. 15 — Congressional and Federal officials are seeking more tools to crack down on commercial offices of the Soviet Union and its allies that have long played a critical role in obtaining American military technology and secrets, according to public records and Federal law-enforcement officials.

Although far outnumbered by diplomats, commercial officials from Communist countries are growing in number and enjoy rare access to information and facilities in the United States. By operating as legitimate businesses, commercial officials can legally obtain credit information on American business executives, visit military sites and acquire crucial technology and documents as well as illegally recruit spies, according to Federal officials.

Officials say this access stems in part from loopholes in American laws and the status of some Communist commercial organizations as American corporations.

Now, prompted in part by the recent disclosure of several spy cases and renewed interest in the adequacy of counterintelligence efforts, Federal law-enforcement officials and Congress are focusing on ways to limit the activities of commercial and trading companies and to monitor them better.

Approach Is Called Subtle

But one top official of the Federal Bureau of Investigation warns that American business executives are still unaware of the dangers in dealing with commercial organizations like the Amtorg Trading Corporation, a Soviet trading company based in New York.

"The Soviets use a subtle approach on American businesses," James M. Fox, head of the Soviet counterintelligence division of the F.B.I. office in New York, said in an interview earlier this month. "Amtorg can run a credit check on a business, learn its financial health. If a company is in trouble they can get them contracts, gain financial leverage. They can do so much legally."

Mr. Fox, in an attempt to educate American officials further about Soviet spying activities, said he recently wrote the State Department about eight examples of "clandestine activities," six involving Soviet officials at the United Nations and two Amtorg employees.

Dmitriy A. Solovykh, Amtorg's deputy chairman, initially agreed to talk about Amtorg with a reporter, but then failed to return a reporter's phone call.

Late last month Congress passed legislation limiting the travels of Soviet officials at the United Nations. Commercial officials, however, can still travel almost anywhere in the United States, including Naval shipyards, atomic energy installations, computer equipment conventions and observation posts near military readiness maneuvers, according to Mr. Fox and a 1982 report by the Senate Permanent Subcommittee on Investigations.

The chairman of the subcommittee, Senator William V. Roth Jr., Republican of Delaware, was the author of the legislation restricting travels in the United States of Soviet employees at the United Nations. His subcommittee is scheduled to hold hearings this fall on the question of whether to restrict commercial organizations, according to an aide to Senator Roth.

Congressional intelligence committees have also explored this issue in recent closed hearings into counterintelligence, according to intelligence committee aides.

The question of restricting foreign activity is a delicate one, involving diplomatic, trade and legal issues. For example, American officials in the Soviet Union are also restricted in their travels and might be affected by tighter restrictions in this country.

Amtorg, the largest Communist trading company in the United States, was incorporated in New York in 1924, before the United States had diplomatic relations with the Soviet Union. Federal officials say it served as the first base for Soviet espionage activities here.

Other Soviet trade organizations are in Seattle and Milwaukee; a nonprofit council that promotes Soviet-American trade, now \$4 billion a year, is based in New York.

Seeking Markets for Vodka

Amtorg helps American companies sell their products in the Soviet Union and acts as agent for numerous Soviet organizations that seek to market products like ammonia, vodka and metals in the United States.

A 1982 C.I.A. report, "Soviet Acquisition of Western technology," noted the "increased use of Soviet- and East European-owned firms locally chartered in the United States and abroad to exploit Western-controlled and military-related technology." The report said there were more than 20 such concerns in the United States. According to an F.B.I. official, the total number of Eastern European commercial and diplomatic entities here has doubled in four years. In addition, the F.B.I., which keeps track of commercial visitors from the Soviet bloc, said there were 1,577 such visitors to the United States for the last six months of 1984.

Like any other commercial organization, Amtorg officials negotiate contracts, attend conventions and visit

customers.

But over the last 40 years some Amtorg employees have played a less conventional role, figuring directly or indirectly in at least half a dozen spy cases, according to published accounts. In addition, law-enforcement officials say, some Amtorg employees have been quietly told to leave after the F.B.I. caught them in spying.

Efforts to Obtain Secrets

In 1980 an Amtorg employee involved in intelligence activities left the country after the F.B.I. produced evidence that he and another Amtorg official who had already left the country had attempted to obtain classified information from a manager for a military contractor, according to a law-enforcement official. The manager had talked to an Amtorg official at a university lecture in New York and had been asked, over a period of several years, to obtain information on gyroscopic platforms, gyroscopic computers and the Saturn V moon rocket, the official added.

Approximately a third of Amtorg's 58 employees are considered intelligence officers while a few others are considered to be agents who are used on rare occasions for intelligence activities, according to American intelligence officials.

One such Amtorg employee, Vladimir Y. Kramerov, a senior engineer, defected to the United States last year and provided the F.B.I. with valuable information about Soviet intelligence within Amtorg, according to a Federal official.

Almost half of Amtorg employees are engineers, according to a recent C.I.A. directory, and all Amtorg personnel are from the Soviet Union, according to Mr. Fox. Amtorg records filed publicly with the Justice Department show the average pay for the engineers is less than \$250 a week.

Some Data Acquired Legally

American officials say commercial employees play a variety of roles in Soviet efforts to acquire American technology. One task involves the legal acquisition of data that has been published openly. For example, for the last few years Amtorg, according to the material it files with its registration as a foreign agent, has purchased material from the National Technical Information Service, a Government clearinghouse for nonclassified reports.

In 1980, the United States stopped regular access to the service by the Soviet Union, but Amtorg has continued to buy reports from the service. Amtorg also purchases costly reports and periodicals from various nuclear and atomic energy organizations, according to the filings.

Companies incorporated in the United States, such as Amtorg, "can legally purchase controlled U.S. technology and study it without actually violating U.S. export controls unless they attempt to export the equipment or related technical data from the United States without a license," according to the 1982 C.I.A. study. One intelligence official said that the classified, nonpublic version of the C.I.A. report said that Amtorg played a crucial role in helping the Russians catalogue their technology needs as well as helping obtain the technology with legal and illegal methods.

Powers Under New Law

Agents with the United States Customs Service, which attempts to stop illegal exports, say that export control legislation passed last month by Congress might give them more power to stop the kind of activity described in the C.I.A. report and allow them to focus on companies like Amtorg.

"The U.S. is now targeting Amtorg as much as possible," said Vincent M. Milano, the assistant special agent in charge of the New York Customs office, said in a recent interview.

Commercial officials figured prominently in the biggest spy swap in recent history, when the United States this summer released four accused Eastern European spies in exchange for 25 agents held prisoner in East Germany and Poland. Two of the four were intelligence officers operating out of commercial offices: Peniu B. Kostadinov, a Bulgarian intelligence officer for-

merly attached to Bulgaria's commercial office in New York, and Marian W. Zacharski, an East European intelligence official formerly with Polamco, a Polish owned commercial firm incorporated in Illinois.

A 1982 report by Senator Roth's subcommittee noted that business executives were sometimes fooled by Polamco, thinking it was "just like any other industrial company in the United States." The report also found that even though employees of Polamco, like Mr. Zacharski, have been convicted of espionage charges, "the Commerce Department has no authority to deny Polamco export privileges."

The report recommended that export privileges be automatically denied to companies when their officials violate the espionage statute, but the suggestion was never adopted.

No Diplomatic Immunity

Commercial personnel are not subject to some travel limitations imposed on Communist diplomats, but they also do not have diplomatic immunity. Consequently the risks of spying are greater since they face the possibility of jail rather than expulsion.

Mindful of their unusual legal situation, Amtorg officials appear to be careful about complying with United States laws. For example, the company registers as a foreign agent, although legal experts said the corporation was not required to under existing laws. In addition, Customs officials said that Amtorg, as an organization, has never been directly involved in illegally exporting equipment.

However, investigators with the F.B.I. and the Customs Service said they have detected contacts and discussions between Amtorg employees and brokers involved in illegal exports to the Soviet Union and other Communist countries. These contacts, according to the officials, involve both past and current illegal export cases.